with prudent and generally accepted telecommunications industry practices and standards, except as modified by the commission;

(5) Keep all meters and recording devices used to record data and prepare customers' bills and the controlling channel equipment associated with such meters and recording devices in good operating condition, and periodically inspect and test the equipment to ensure proper functioning;

(6) Make reasonable provision for emergencies resulting from power failures, unusual and prolonged increases in telecommunications traffic, or lack of personnel and from fire, storm, hurricane, or other acts of God;

(7) Adopt and adhere to a maintenance program to ensure safe, adequate, and reliable service at all times;

(8) Adopt and maintain customer response procedures and standards;

(9) Adopt and maintain service reliability procedures and standards;

(10) Maintain sufficient records of its operations, and make such records available to the commission and the consumer advocate at any time upon request;

(11) Maintain current and accurate records of its customers;

(12) Adopt and maintain a suitable safety program;

(13) Adopt and maintain measures that ensure that a customer's choice of carriers or services will not be changed or modified without the customer's authorization, including a stand-alone form for written authorizations;

(14) As soon as practical, notify its customers in writing of any changes in price, scope, or quality of service;

(15) Adopt and maintain standards and procedures for respecting and safeguarding personally identifiable customer information, equipment, and records;

(16) Maintain on file in each of its instate business offices its complete tariffs and exchange maps and make them available for public inspection during regular business hours;

(17) Permit all carriers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays; and

(18) To the extent readily achievable, ensure that telecommunications service is accessible to and usable by individuals with disabilities, as that term is defined by §3(2)(A) of the Americans with Disabilities Act of 1990 (42 U.S.C. §12102(2)(A)).

3 Records. (a) A telecommunications carrier shall make its records, books, accounts, and other documents available to the commission and the consumer advocate at any time upon request.

(b) Unless otherwise specified by the commission, a telecommunications carrier shall preserve the records required to be kept and maintained for the period of time specified in the current edition of the FCC's records retention schedule.

4 Exchange area maps. (a) Each telecommunications carrier shall file with the commission a description of its exchange service area. The description must clearly delineate the boundaries of the territory within which a service is provided. As appropriate, the carrier shall attach to the description a map of the service territory.

(b) A telecommunications carrier receiving State or federal universal service fund subsidy for providing basic service in a high cost area, and a carrier providing noncompetitive service, shall file with the commission an exchange area map for each of its exchanges that clearly show the boundary lines of the exchange area. The maps must conform to the following:

(1) The boundary lines of each exchange area must either follow easily recognizable geographic features, such as waterways and existing roads, or be drawn by references to specific, recognizable reference points; and

(2) Contain the same detail as county highway maps, including the location of highways, section lines, geographic town and range lines, and waterways. Map scale and other details must be shown, as required by the commission.

The carrier shall annually review each exchange area boundary map and update it, if necessary. With every revised map or description, the carrier shall indicate, where applicable, the boundaries of all existing or proposed central offices used for billing purposes.

5 Capital improvements. (a) By January 1 of each year, a telecommunications carrier receiving State or federal universal service fund subsidy for providing basic service in a high cost area, and a carrier providing noncompetitive service, shall file with the commission a capital improvements budget that projects expenditures for capital improvements during the ensuing five years. The budget must include details about the carrier's contemplated first year expenditures.

(b) A telecommunications carrier receiving State or federal universal service fund subsidy for providing basic service in a high cost area, and a carrier providing noncompetitive service, shall submit to the commission for review proposed capital expenditures for any single project related to plant replacement, expansion, or modernization, that is estimated to exceed $500,000. The carrier shall submit the proposed expenditures for review at least sixty days before the commencement of construction or commitment for expenditure, whichever is earlier. The commission may:

(1) Approve the whole or any portion of the proposed project, in which event the project or the portion approved may be included by the carrier in its rate base; or

(2) After a hearing, reject the whole or any portion of the proposed project, if it determines that the project or a portion of it is not necessary or is unreasonably in excess of probable future requirements for basic exchange or noncompetitive service, in which event the carrier may not include the project or the rejected portion of the project in its rate base. The commission may subsequently allow the inclusion of the project or the rejected portion in the carrier's rate base upon a showing by the carrier that the project or the rejected portion has become necessary or useful in providing basic exchange or noncompetitive service.

If the commission does not act upon the proposed expenditure within ninety days of its submission for review, the carrier may include the project in its rate base without any determination by the commission. The carrier shall submit data concerning the proposed project in such form and detail as the commission may prescribe.

6 Annual financial reports. (a) A telecommunications carrier chartered, certified, or registered to provide telecommunications services in the State shall file an annual financial report with the commission by March 31 for the preceding calendar year. The financial report must:

(1) Be prepared in a manner that separately reflects the carrier's intrastate-based operations, as if the carrier operated solely in intrastate business; and

(2) Include a certification that the report conforms with generally accepted accounting principles.

(b) The financial report must include the following:

(1) A statement of operations reflecting intrastate revenues by services and intrastate expenses by accounts; and

(2) A balance sheet reflecting the carrier's intrastate operations.

(c) A telecommunications carrier receiving State or federal universal service fund subsidy for providing basic service in a high cost area, and a carrier providing noncompetitive service, shall also file annually by March 31 the following schedules:

(1) A schedule to support direct and indirect charges from and to the carrier's affiliates;

(2) A schedule reflecting:

  (A) The equipment used by the carrier in its intrastate operation;

  (B) The original cost of each piece of equipment; and

  (C) The accumulated depreciation of each piece of equipment.

(d) The required financial reports shall be submitted on forms prescribed by the commission. The carrier shall serve a copy of the reports on the consumer advocate.

7 Other reports. (a) A telecommunications carrier shall annually file the following statistical data by March 31 for the preceding calendar year:

(1) Number of intrastate customers, by telecommunications service; and

(2) Number of intrastate calls, by telecommunications service, originating and terminating in the State.

The data required under this subsection may be filed on a confidential basis with the commission.

(b) On a quarterly basis, as specified by the commission, a telecommunications carrier shall file a tabulation of complaints and information on the resolution of complaints, classified by subject area. The tabulation, filed with the commission, shall be available for public inspection, except where the customer has requested confidentiality.

(c) A telecommunications carrier shall furnish to the commission, at such times and in such form as the commission may prescribe, the results of any service-related tests, summaries, or records in its possession. The carrier shall also furnish the commission any information concerning the carrier's facilities or operations that may be requested.

(d) A telecommunications carrier shall promptly report to the commission any specific occurrence or development that disrupts service to twenty-five per cent or two thousand of its customers, whichever is less, for a period in excess of one hour or which may impair the carrier's ability to furnish service to a substantial number of its customers.

(e) A telecommunications carrier shall file with the commission within seven days a report of any major accident in connection with the operation of the carrier's facilities. It shall promptly notify the commission by telephone of any fatal accident.

(f) A telecommunications carrier shall serve a copy of the reports described in this section on the consumer advocate.

8 Standards for service quality. (a) Every telecommunications carrier shall, through tariffs filed with the commission, establish service quality standards. Sections 9 to 11 prescribe minimum standards. The minimum standards apply to all telecommunications carriers, except those standards that specifically reference basic service in high cost areas provided by carriers receiving State or federal universal service fund subsidy and noncompetitive services. Standards that specifically reference basic service in high cost areas provided by carriers receiving State or federal universal service fund subsidy and noncompetitive services do not apply to fully competitive and partially competitive services, provided that:

(1) The provider of any such fully competitive or partially competitive services establishes its own standards; and

(2) The commission, if it deems it appropriate and in the public interest, may require the provider of fully competitive or partially

competitive services to observe the minimum standards.

(b) Failure to comply with the standards set forth in the carrier's tariff or the standards provided in sections 9 to 11, or otherwise to maintain acceptable level of service, may constitute grounds to revoke a carrier's authority. Service failures may also be considered in arriving at a proper equity return for carriers receiving State or federal universal service fund subsidy for providing basic service in high cost areas, and for providers of noncompetitive services, and may result in further action as the commission deems appropriate.

(c) The commission may, on a periodic basis or from time to time, require a carrier to file with the commission service quality performance reports, detailing the carrier's compliance history. When filed, the carrier shall serve a copy of any such reports on the consumer advocate.

9 <u>Service installation.</u> (a) Except as provided in subsection (b), a telecommunications carrier shall respond to a customer's request for service as quickly as practicable. For basic service in high cost areas provided by carriers receiving State or federal universal service fund subsidy and for noncompetitive services, the minimum standards are:

(1) Complete installation of service within three days of the receipt of a request in ninety per cent of the requests for basic service;

(2) Complete installation of service within thirty days of the receipt of a request in ninety-five per cent of all other requests for service; and

(3) Meet installation date commitments in ninety per cent of all service order requests,

except where the carrier is unable to meet its commitment due to customer-caused delays and causes beyond the reasonable control of the carrier.

(b) A request for a new service requiring line extension or the construction of facilities shall be filled within ninety days of the receipt of the request, unless a delay is unavoidably caused by the unavailability of materials or other situations beyond the reasonable control of the carrier. "Line extension" and "construction of facilities," as used in this subsection, include facility placements for which a permit is required, but do not include drop wires less than three hundred feet in length that connect the carrier's distribution facility to the customer's premises.

(c) If a line extension is required or if facilities are not available, the carrier shall inform the customer within ten days of the receipt of an application for service of the estimated completion date.

(d) If completion of installation is delayed for a number of requests for telecommunications service due to a shortage of facilities, upon the completion of the facilities the carrier shall give priority to furnishing those services that are essential to public health and safety. In cases of prolonged shortage or emergency, the commission may require the carrier to establish a priority plan, subject to the commission's approval, for clearing held orders.

(e) The carrier shall tariff any line extension policy.

(f) On a quarterly basis, as specified by the commission, the carrier shall file a report with the commission of all applications for service not met within the time periods specified in the carrier's tariff or in subsections (a) and (b). Repeated delays in providing service, except delays caused by the customer or by factors beyond the reasonable control of the carrier, may constitute grounds for the revocation of the carrier's authority.

10 Disruption of service. (a) If service is disrupted, a telecommunications carrier shall make all possible efforts to reestablish service in the shortest time practicable with due regard to safety. For basic service in high cost areas provided by carriers receiving State or federal universal service fund subsidy and for noncompetitive services, the minimum standards are:

(1) Clearing ninety-five per cent of all out-of-service troubles within twenty-four hours of the time such troubles are reported;

(2) Averaging no greater than six customer trouble reports per one hundred local access lines in an exchange area per month; and

(3) Meeting ninety per cent of the repair date commitments.

(b) If service is to be interrupted for scheduled repairs or maintenance, or if the occurrence of an interruption in service is otherwise known to the carrier, the carrier shall promptly notify its affected customers and, as appropriate, fire and law enforcement agencies, before the interruption occurs. Repair and maintenance work shall be performed at a time that will cause the least inconvenience to its customers.

(c) If a national emergency or local disaster occurs, resulting in the disruption of normal telecommunications service, the carrier may temporarily interrupt service to its customers to provide necessary service to civil defense or other emergency service agencies until normal service to these agencies can be restored.

(d) The carrier shall maintain an accurate record of trouble reports made by its customers. The record must include the identity of the customer or service affected, the time, date, and nature of the report, the action taken to clear the trouble, and the date and time the trouble was cleared or other disposition was made of the trouble report. The carrier shall make the record available to the commission and the consumer advocate at any time upon request.

11 Answering calls. A telecommunications carrier shall answer calls promptly. For basic service in high cost areas provided by carriers receiving State or federal universal service

fund subsidy and for noncompetitive services, the minimum standards are:

(1) Answering eighty-five per cent of all calls made to the carrier's repair service department or business office within twenty seconds; and

(2) Answering eighty-five per cent of all calls to interisland toll operators and directory assistance operators within ten seconds.

Answering time is the time it takes for an operator, service representative, or an automated system to accept information and process the call or service request. Any time spent branding the call or requiring the consumer to navigate a voice menu is included as part of the answering time.

12 Transmission requirements. A telecommunications carrier shall maintain its transmission facilities at adequate volume levels and free of excessive distortion. At a minimum, a telecommunications carrier shall design and maintain its facilities to achieve the following levels:

(1) Design to 8.5 dB customer line loss and maintain at no more than 10 dB line loss. A carrier without interoffice facilities shall design to no more than 9 dB customer line loss; and

(2) Design customer line to 25 dBrnC noise and maintain at no more than 30 dBrnC noise.

13 Call completion. A telecommunications carrier shall provide prompt call completion. For basic service in high cost areas provided by carriers receiving State or federal universal service fund subsidy and for noncompetitive services, the minimum standards are:

(1) Maintain dial tone delay to less than three seconds in ninety-eight per cent of all calls; and

(2) Complete ninety-seven per cent of all correctly dialed local and interisland calls.

14 Rates and special charges information. A telecommunications carrier shall:

(1) Upon a customer's request, provide explanations of its rates, charges, and provisions applicable to telecommunications service furnished or available under its tariffs;

(2) Notify a residential customer of any service connection charge before the charge is incurred;

(3) Notify a customer of any special charges not specifically stated in the carrier's tariff that may be assessed the customer, such as
charges for extraordinary construction, maintenance, and

replacement, for special installations, equipment, and assemblies, and for overtime work; and

(4) Provide a customer with an estimate of the initial billing for service (including fractional monthly amounts).

15 Customer billing. (a) A telecommunications carrier shall bill its customers on a regular basis. At a minimum and as applicable, each bill must itemize the following:

(1) The exchange access charges for the services requested by the customer;

(2) The extended area service charges, when segregated as a separate tariff element;

(3) The enhanced and other local service charges;

(4) The period of time for which the local service and equipment charges apply;

(5) If the carrier has assumed responsibility for collecting toll charges, the toll calls charged to the customer's account, the date and time of each call, the length of each call, the destination of each call or point of origin for collect or third party calls, or both the destination and point of origin;

(6) The telephone number of the carrier's business office;

(7) The due date of the bill;

(8) State and federal taxes, if applicable; and

(9) The interstate customer line charges.

(b) A telecommunications carrier shall apply any partial payment of a bill to the discharge of what is due for basic service before applying the payment to the discharge of what is due for any other service.

16 Billing information. (a) A telecommunications carrier shall maintain an accurate record of each customer showing the customer's name and address and the class and type or types of service furnished to the customer.

(b) A telecommunications carrier shall not resell or otherwise make available to any third party any billing name and address information, except for the sole and limited purpose of enabling another entity to bill and collect for telecommunications services or as required by law.

(c) Any carrier providing billing name and address information to a qualified third party, as provided in subsection (b), first shall obtain from the third party a signed agreement of adherence to the carrier's procedures concerning the handling of personally identifiable customer information, including the handling of non-listed and non-published telephone numbers and the requirement that billing name and address information may not be resold or otherwise made available to any other party except as specified in subsection (b).

(d) Any carrier that determines that a third party is not adhering to the signed agreement shall cease providing billing name and address information to that third party after fifteen days' notice to its customers and to the commission, along with a justification why the cessation is necessary.

17 Billing disputes. (a) When a dispute arises between a customer and a telecommunications carrier regarding any bill, the carrier may require the customer to pay the undisputed portion of the bill. The carrier shall conduct an appropriate investigation of the disputed charge or charges and shall provide a report of the investigation to the customer. Where the dispute is not reconciled, the carrier shall advise the customer that the customer has the right to file a complaint with the commission regarding the dispute.

(b) A customer shall be rebilled under the appropriate tariff schedule when:

(1) The customer was billed under a tariff schedule for which the customer was not eligible; or

(2) The customer was eligible for billing under more than one schedule but was billed under a schedule contrary to the customer's election or if the customer's election was based on erroneous information provided by the carrier.

(c) Nothing in subsection (b) requires the carrier to adjust billings when the carrier has acted in good faith based on the information available.

(d) If a telecommunications carrier underbills as a result of the carrier's omission or negligence and the amount owed by the customer has accumulated over a period of one month and exceeds $25, the carrier shall offer and enter into reasonable arrangements for the payment of the amount owed by the customer. If a carrier overbills a customer, the carrier shall refund the overbilled amount. The carrier may refund the overbilled amount by a credit on future bills; provided that if the refund amount is $25 or more, the carrier shall offer the customer a choice of a cash refund.

(e) A carrier may not consider a customer's bill past due unless it remains unpaid for twenty calendar days after the billing date stated on the bill.

18 Adjustments for out of service conditions. (a) Except as provided in subsection (b), a telecommunications carrier shall make appropriate adjustments or refunds to a customer when service to the customer is interrupted for reasons other than the negligence or wilful act of the customer and remains interrupted for more than twenty-four hours after being reported or found to be out of order.

(b) If service is interrupted by a natural or other disaster beyond the control of the telecommunications carrier, the carrier shall make adjustments and refunds to its affected customers if service is not restored within forty-eight hours.

(c) The amount of any adjustment or refund shall be based on the known period of interruption, beginning from the time the service interruption is first reported or found. The adjustment or refund is the prorated part of the month's charge for the days or portion of days that service or facilities remained inoperative.

(d) The refund may be made in the form of a credit on a subsequent bill.

19 <u>Establishment of credit.</u> (a) For purposes of receiving service from a telecommunications carrier, a customer may establish credit in one or more of the following ways:

(1) Furnishing credit information and references satisfactory to the carrier. In determining whether the credit of the customer is acceptable, the carrier may consider the customer's credit and payment history rating as reported by a nationally recognized credit reporting organization, the customer's ownership interest in the premises where service is to be furnished, and the customer's employment;

(2) Establishing a record of prompt payment for service for six to twelve consecutive months; or

(3) Furnishing a guarantor satisfactory to the carrier to secure payment of bills for service rendered.

(b) If service to a customer is discontinued for nonpayment of bills, before service to the customer may thereafter be furnished, the carrier may require the customer to pay all amounts past due, in addition to any connection charges, and to either re-establish credit as provided in subsection (a) or advance a deposit.

(c) If bills are not paid within five days of the customer's receipt of a notice of discontinuance of service for nonpayment of bills, the carrier may require the customer to make a cash deposit.

20 <u>Customer deposits.</u> (a) A telecommunications carrier may require a customer to make a cash deposit to guarantee payment of bills for service until credit is established. The deposit may not exceed two times the average monthly bill for the same class of service provided by the carrier to the same class of customers in the given exchange. An estimate of monthly billings may be used for the purpose of determining a deposit if it can be shown that the customer's usage may be substantially different from the average usage for the same class of service.

(b) The carrier shall return the deposit to the customer within thirty days of the customer's establishing credit. If returned within thirty days,
the carrier need not pay any interest on the deposit. If the deposit is not returned within thirty days, the carrier shall pay simple interest on the deposit at the rate of at least six per cent per annum from the date of the establishment of the credit until:

(1) The deposit is returned;

(2) Service is terminated; or

(3) Notice is sent to the customer's last known address that the deposit is no longer required.

(c) The carrier shall maintain a record of each unclaimed deposit for at least three years, during which time the carrier shall make a reasonable effort to return the deposit. Unclaimed deposits, together with accrued interest, are to be credited to an appropriate account.

21 Denial or discontinuance of service. (a) A telecommunications carrier may deny or discontinue service to a customer without the customer's permission and without prior notice for any one or more of the following reasons:

(1) If a condition immediately dangerous or hazardous to life, physical safety, or property exists;
(2) Upon an order of any court, the commission, or any other duly authorized public authority; or
(3) If service was obtained fraudulently or without the authorization of the carrier.

(b) A telecommunications carrier may deny or discontinue service to a customer without the customer's permission and with prior notice only for one or more of the following reasons:

(1) Nonpayment of a past due bill not in dispute;
(2) Failure to make a security deposit or obtain a guarantee when one is required;
(3) Obtaining service by subterfuge;
(4) Unauthorized interference, diversion, or use of the telecommunications service situated or delivered on or about the customer's premises;
(5) Violation of any rule of the telecommunications carrier filed with the commission;
(6) Failure to comply with laws and regulations pertaining to telecommunications service; or
(7) Failure of the customer to permit the carrier reasonable access to the carrier's facilities or equipment.

(c) The customer shall be notified in writing of the carrier's intention to discontinue service and be allowed not less than five days from the date of the notification to respond. If the notification is mailed to the customer, the customer shall be allowed an additional two days to respond. All notices of proposed discontinuance must state:

(1) The reason for and date of the scheduled discontinuance of service; and
(2) Actions which the customer may take to avoid discontinuance of service.

(d) The following do not constitute sufficient cause for denying or discontinuing service:

(1) Delinquency in payment for service by a previous occupant of the premises to be served (provided that service may be denied to the premises of a person who is a member of the household of a customer who is delinquent in payment for service to the same premises);
(2) Failure to pay directory advertising charges; and

(3) Failure to pay any disputed amount pending resolution of the dispute.

(e) In addition to subsection (d), basic service to residences may not be discontinued for nonpayment of:

(1) Interisland, interstate, or international service;

(2) Flexibly priced services;

(3) Fully or partially competitive services; or

(4) Any telecommunications service offered by a third party.

The carrier, however, may refuse to provide interisland service, flexibly priced services, or fully or partially competitive services for nonpayment for any of these services, even if the debt is to another carrier.

22 Customer complaints. A telecommunications carrier shall promptly respond to customer complaints. The carrier shall:

(1) Receive trouble reports twenty-four hours a day and all other complaints during normal business hours, without toll or any other charge;

(2) Investigate all customer complaints fully and promptly;

(3) Handle all customer complaints in an efficient and courteous manner;

(4) Advise a customer who has exhausted the carrier's internal procedures and expresses dissatisfaction with the carrier's action of the customer's right to have the customer's complaint considered and reviewed by the commission. The advice must include the commission's address and telephone number;

(5) Investigate and respond within thirty days to any customer complaint transmitted by the commission to the carrier, either by letter or by telephone;

(6) Not issue any notice of discontinuance of service for nonpayment of a disputed amount while a complaint on the matter is under investigation by the carrier or the commission; and

(7) Maintain an accurate record of each customer complaint, including the complainant's name, the date and nature of the complaint, and its disposition. The record shall be kept for a period of two years following the final settlement or disposition of the complaint.

Exhibit 3

Intrastate access, interconnection, unbundling, and resale - request for. (a) Upon a bona fide request of another carrier, a telecommunications carrier shall:

(1) Unbundle its network facilities, functions, and services, to the extent technically feasible and economically reasonable;

(2) Make its facilities, functions, and services available, on an unbundled basis, for intrastate access and interconnection by the other carrier, at any technically feasible and economically reasonable point within the carrier's network;

(3) Offer such facilities, functions, and services for resale or shared use, to the extent technically feasible and economically reasonable; and

(4) Make available and offer such facilities, functions, and services of such quality at least equal to that provided by the carrier to itself or to any of its subsidiaries or affiliates, or to any other carrier to which it provides interconnection.

(b) Upon receipt by a telecommunications carrier of a bona fide request for access, interconnection, or unbundling from another carrier, the carriers shall, within thirty days following receipt of the request, attempt to reach agreement concerning responsibility for any costs and expenses incurred by the requested carrier in analyzing and evaluating the technical feasibility of the request. If the carriers are unable to reach agreement within thirty days, the carrier initiating the request for access, interconnection, or unbundling shall notify the commission and the consumer advocate in writing of the impasse. Following notification, the commission may take any action it deems appropriate, including:

(1) Resolving the issues in dispute; or

(2) Directing the carriers to resume negotiations.

(c) A telecommunications carrier that denies the request of another carrier for access, interconnection, or unbundling on the grounds that the requested access, interconnection, or unbundling is not technically feasible or is not economically reasonable bears the burden of demonstrating that fact.